

Introduced by Senator SteinbergFebruary 27, 2009

An act to amend Sections 12891 and 12892 of, and to add Section 14033 to, the Government Code, to amend Sections 25620 and 25620.1 of, and to add Part 5 (commencing with Section 71400) to Division 34 of, the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 721, as introduced, Steinberg. Energy: greenhouse gas emissions.

(1) The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to the statewide GHG emissions levels in 1990 to be achieved by 2020. The act requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective GHG emission reductions. The act requires all state agencies to consider and implement strategies to reduce their GHG emissions.

This bill would create the Climate Action Team (CAT), consisting of representatives from specified state agencies, that would be responsible for coordinating the state's overall climate policy. The CAT, on or before January 1, 2011, and annually thereafter, would be required to prepare, adopt, and present to the Legislature, a strategic research, development, demonstration, and deployment plan that establishes priorities and identifies key expenditure categories for research, development, demonstration, and deployment funds to be expended by the state agencies represented on the CAT for the following fiscal year.

The bill would require a state agency that is represented on the CAT to expend research, development, demonstration, and deployment funds, which would be administered by the Department of Transportation and allocated for clean technology, environmental protection, and public interest energy research, consistent with this plan. The CAT, on or before January 1, 2011, and biennially thereafter, would also be required to prepare and adopt a climate change impact mitigation and adaptation plan that includes specified information.

(2) Existing law requires specified state agencies to prepare and submit to the Secretary for Environmental Protection, in a standardized format as determined by the California Environmental Protection Agency, specified information relating to the state agency's GHG emissions, including a list of measures adopted and implemented by the agency to meet GHG emission reduction targets, as defined, and a status report on GHG emissions reduced as a result of these measures. The California Environmental Protection Agency, on or before March 1, 2008 and January 1, annually thereafter, is required to provide that information on its Internet Web site in the form of a state agency greenhouse gas emission reduction report card.

This bill would, instead, require the specified state agencies to prepare and submit to the CAT, the information in a standardized format as determined by the Secretary for Environmental Protection. The CAT would compile and organize the information submitted. The bill would additionally require the specified state agencies to submit information on other technologically feasible and cost-effective measures related to operations and programs managed by the state agencies that require statutory or regulatory changes for their adoption, and an estimate of potential GHG emission reductions from those measures.

Existing law requires the State Energy Resources Conservation and Development Commission to develop, implement, and administer the Public Interest, Development, and Demonstration Program to include a full range of research, development, and demonstration projects that are not adequately provided for by competitive and regulated energy technology markets.

This bill would provide that demonstration for purposes of this program, includes, but is not limited to, grants and loans to entities to commercialize new, cost-effective technologies in the California marketplace.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 12891 of the Government Code is amended to read:

12891. For the purposes of this chapter, the following terms have the following meanings:

(a) “Agency” means the California Environmental Protection Agency.

(b) “Climate Action Team” means the Climate Action Team established pursuant to Section 71401 of the Public Resources Code.

~~(b)~~
(c) “Climate Action Team Report” means the report prepared pursuant to Executive Order S-3-05 and submitted to the Governor and the Legislature in March 2006.

~~(e)~~
(d) “GHG” means greenhouse gas as defined in subdivision (g) of Section 38505 of the Health and Safety Code.

~~(d)~~
(e) “GHG emission reduction target” means a target established for a state agency in the Climate Action Team Report, or a requirement made applicable to that state agency by an action taken by the State Air Resources Board pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

~~(e)~~
(f) “Secretary” means the Secretary for Environmental Protection.

~~(f)~~
(g) “State agency” means a state agency listed in the Climate Action Team Report, a state office, department, division, bureau, board, or commission whose operations or programs result in greenhouse gas emissions that are subject to Division 25.5 (commencing with Section 38500) of the Health and Safety Code, and any other state agency listed in Section 12800, as determined by the secretary.

SEC. 2. Section 12892 of the Government Code is amended to read:

12892. (a) On or before October 1 of each year, each state agency shall prepare and submit to the ~~secretary~~ *Climate Action*

1 *Team* in a standardized format as determined by the ~~agency~~
2 *secretary* all of the following:

3 (1) A list of those measures that have been adopted and
4 implemented by the state agency to meet GHG emission reduction
5 targets and a status report on actual GHG emissions reduced as a
6 result of these measures.

7 (2) A list and timetable for adoption of any additional measures
8 needed to meet GHG emission reduction targets.

9 (3) An estimate of the department's own greenhouse gas
10 emissions, as well as an explanation of any increase or decrease
11 compared to the previous year's emissions.

12 (4) *A list of other technologically feasible and cost-effective*
13 *measures related to the operations or programs managed by the*
14 *state agency that require statutory or regulatory changes for their*
15 *adoption, and an estimate of potential GHG emission reductions*
16 *from those measures.*

17 (b) In order to reduce paperwork and workload, information
18 required to be submitted pursuant to this section may be submitted
19 in a standardized electronic format as determined by the agency.

20 (c) On or before January 1 of each year, the ~~agency~~ *Climate*
21 *Action Team* shall compile and organize the information submitted
22 pursuant to this section into a clear, standardized format, and shall
23 provide that information on the agency's Internet Web site in the
24 form of a state agency greenhouse gas emission reduction report
25 card.

26 (d) The report card shall compare the actions taken and proposed
27 to be taken by individual state agencies and their projected annual
28 GHG emission reductions against the state agency GHG emission
29 reduction targets and statewide GHG emission reduction limits.

30 (e) Where appropriate, the report card shall include a statement
31 regarding the independent audits required by Section 12893.

32 (f) In conjunction with the Governor's Budget submitted
33 pursuant to subdivision (a) of Section 12 of Article IV of the
34 California Constitution, on or before January 10 of each year, the
35 agency shall submit to the Legislature a comprehensive budget
36 display that includes both of the following:

37 (1) Funding proposals and base funding in the proposed
38 Governor's Budget for state agencies implementing climate
39 solutions to meet the greenhouse gas emissions reduction targets
40 as specified in the California Global Warming Solutions Act of

2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) A five-year work plan summary for each department included in the comprehensive budget display that shows how staff and contracting resources will be allocated to achieve specified climate solution deliverables.

SEC. 3. Section 14033 is added to the Government Code, to read:

14033. The research, development, and demonstration funds allocated for clean technology, environmental protection, and public interest energy research administered by the department shall be expended in accordance with the plan adopted pursuant to Section 71403 of the Public Resources Code.

SEC. 4. Section 25620 of the Public Resources Code is amended to read:

25620. The Legislature hereby finds and declares all of the following:

(a) It is in the best interests of the people of this state that the quality of life of its citizens be improved by providing environmentally sound, safe, reliable, and affordable energy services and products.

(b) To improve the quality of life of this state's citizens, it is proper and appropriate for the state to undertake public interest energy research, development, and demonstration projects that are not adequately provided for by competitive and regulated energy markets.

(c) Public interest energy research, demonstration, and development projects should advance energy science or technologies of value to California citizens and should be consistent with the policies of this chapter.

(d) Public interest energy research, demonstration, and development projects should be coordinated with other related state programs and research needs to meet overall state policy objectives related to energy efficiency, environmental protection, greenhouse gas emission reduction, clean technology job creation, and climate change adaptation in the most efficient manner possible.

~~(d)~~

(e) It is in the best interest of the people of California for the commission to positively contribute to the overall economic climate

1 of the state within the roles and responsibilities of the commission
2 as defined by statute, regulation, and other official government
3 authority, including, but not limited to, providing economic benefits
4 to California-based entities.

5 SEC. 5. Section 25620.1 of the Public Resources Code is
6 amended to read:

7 25620.1. (a) The commission shall develop, implement, and
8 administer the Public Interest Research, Development, and
9 Demonstration Program that is hereby created. The program shall
10 include a full range of research, development, and demonstration
11 activities that, as determined by the commission, are not adequately
12 provided for by competitive and regulated markets. The
13 commission shall administer the program consistent with the
14 policies of this chapter.

15 (b) The general goal of the program is to develop, and help bring
16 to market, energy technologies that provide increased
17 environmental benefits, greater system reliability, and lower system
18 costs, and that provide tangible benefits to electric utility customers
19 through the following investments:

20 (1) Advanced transportation technologies that reduce air
21 pollution and greenhouse gas emissions beyond applicable
22 standards, and that benefit electricity and natural gas ratepayers.

23 (2) Increased energy efficiency in buildings, appliances, lighting,
24 and other applications beyond applicable standards, and that benefit
25 electric utility customers.

26 (3) Advanced electricity generation technologies that exceed
27 applicable standards to increase reductions in greenhouse gas
28 emissions from electricity generation, and that benefit electric
29 utility customers.

30 (4) Advanced electricity technologies that reduce or eliminate
31 consumption of water or other finite resources, increase use of
32 renewable energy resources, or improve transmission or distribution
33 of electricity generated from renewable energy resources.

34 (c) To achieve the goals established in subdivision (b), the
35 commission shall adopt a portfolio approach for the program that
36 does all of the following:

37 (1) Effectively balances the risks, benefits, and time horizons
38 for various activities and investments that will provide tangible
39 energy or environmental benefits for California electricity
40 customers.

(2) Emphasizes innovative energy supply and end use technologies, focusing on their reliability, affordability, and environmental attributes.

(3) Includes projects that have the potential to enhance transmission and distribution capabilities.

(4) Includes projects that have the potential to enhance the reliability, peaking power, and storage capabilities of renewable energy.

(5) Demonstrates a balance of benefits to all sectors that contribute to the funding under Section 399.8 of the Public Utilities Code.

(6) Addresses key technical and scientific barriers.

(7) Demonstrates a balance between short-term, mid-term, and long-term potential.

(8) Ensures that prior, current, and future research not be unnecessarily duplicated.

(9) Provides for the future market utilization of projects funded through the program.

(10) Ensures an open project selection process and encourages the awarding of research funding for a diverse type of research as well as a diverse award recipient base and equally considers research proposals from the public and private sectors.

(11) Coordinates with other related research programs.

(d) (1) The term “award,” as used in this chapter, may include, but is not limited to, contracts, grants, interagency agreements, loans, and other financial agreements designed to fund public interest research, demonstration, and development projects or programs.

(2) *The term “demonstration,” as used in this chapter, may include, but is not limited to, grants and loans to entities to commercialize new, cost-effective technologies in the California marketplace.*

SEC. 6. Part 5 (commencing with Section 71400) is added to Division 34 of the Public Resources Code, to read:

PART 5. CLIMATE CHANGE RESEARCH, MITIGATION,
ADAPTATION, AND ECONOMIC LEADERSHIP ACT OF
2009

71400. The Legislature finds and declares all of the following:

1 (a) California is a world leader in efforts to reduce greenhouse
2 gases, to assess and mitigate the effects of climate change, and to
3 promote clean alternative technologies to improve the state's
4 economy and the protection of public health and the environment.

5 (b) The California Global Warming Solutions Act of 2006,
6 Division 25.5 (commencing with Section 38500) of the Health and
7 Safety Code, provides a process for the establishment of a statewide
8 greenhouse gas emission limit and a process for the adoption of
9 regulations to achieve the maximum technologically feasible and
10 cost-effective greenhouse gas emission reductions. That act also
11 directs the Climate Action Team to coordinate the overall climate
12 policy actions as provided in Executive Order S-3-05 and for all
13 state agencies to consider and implement strategies to reduce their
14 greenhouse gas emissions.

15 (c) California currently invests hundreds of millions of dollars
16 in research funds for air quality, transportation, electricity, natural
17 gas, water, and other types of research, development,
18 demonstration, and deployment projects that could contribute to
19 the achievement of statewide greenhouse gas emission reductions,
20 or to the effective adaptation to unavoidable climate change.

21 (d) More effective coordination of existing programs and
22 funding by the state can improve the achievement of statewide
23 greenhouse gas emission reductions; the protection of the state's
24 infrastructure, communities, and natural resources from the impacts
25 of climate change; and provide economic and job growth through
26 the development and support of a strong clean technology industry.

27 71401. The Climate Action Team is hereby established and
28 shall consist of the following members:

29 (a) The Secretary for Environmental Protection, who shall serve
30 as the chair of the Climate Action Team, and who shall coordinate
31 oversight of the efforts made to meet the greenhouse gas emission
32 reduction targets established by the Global Warming Solutions
33 Act of 2006, Division 25.5 (commencing with Section 38500) of
34 the Health and Safety Code.

35 (b) The Secretary of the Natural Resources Agency.

36 (c) The Chairperson of the State Air Resources Board.

37 (d) The Chair of the State Energy Resources Conservation and
38 Development Commission.

39 (e) The President of the Public Utilities Commission.

40 (f) The Secretary of Business, Transportation and Housing.

1 (g) The Secretary of Food and Agriculture.

2 (h) The Secretary of the Department of Consumer Affairs.

3 (i) The Secretary of Labor and Workforce Development.

4 71402. Consistent with the California Global Warming
5 Solutions Act of 2006, Division 25.5 (commencing with Section
6 38500) of the Health and Safety Code, and Executive Order S-3-50,
7 the Climate Action Team shall coordinate climate policy of the
8 state to achieve all of the following goals:

9 (a) The maximum feasible and cost-effective reduction of
10 greenhouse gas emissions through the implementation of the
11 California Global Warming Solutions Act of 2006, Division 25.5
12 (commencing with Section 38500) of the Health and Safety Code.

13 (b) The promotion of economic and job growth in California
14 through workforce development and the encouragement and
15 support of clean technology development and deployment to meet
16 the state's climate change goals.

17 (c) The identification of unavoidable climate change impacts
18 to California's natural resources and infrastructure and the
19 development and implementation of mitigation and adaptation
20 plans to protect the resources and assets of California.

21 (d) The coordination and efficient use of existing state resources,
22 programs, and funds to achieve the goals identified in this section.

23 71403. On or before January 1, 2011, and annually thereafter,
24 the Climate Action Team shall prepare and adopt a strategic
25 research, development, demonstration, and deployment plan that
26 establishes priorities, and identifies key expenditure categories,
27 for research, development, demonstration, and deployment funds
28 to be expended by state agencies represented on the Climate Action
29 Team for the following fiscal year. The plan shall identify all of
30 the following categories:

31 (a) Funds that will be expended to assist in bringing California
32 clean technologies into the marketplace and that provide
33 quantifiable reductions in emissions of greenhouse gases in order
34 to assist the state in meeting the state's climate change goals.

35 (b) Funds that will be expended to encourage behavior changes
36 or changes in consumer preferences that assist the state in meeting
37 the state's climate change goals.

38 (c) Funds that will be expended by state agencies to identify
39 and forecast impacts of climate change and to identify and research

1 methods to mitigate and adapt to those impacts consistent with
2 Section 71407.

3 71404. The Climate Action Team shall hold duly noticed public
4 meetings and workshops prior to adoption of the strategic research,
5 development, demonstration, and deployment plan in order to
6 solicit comments from the public on research priorities.

7 71405. The expenditure of funds by a state agency that is
8 represented on the Climate Action Team shall be consistent with
9 the strategic research, development, demonstration, and deployment
10 plan adopted pursuant to Section 71403 and authorized or
11 consistent with the annual Budget Act.

12 71406. The Climate Action Team shall present its annual
13 strategic research, development, demonstration, and deployment
14 plan to the appropriate policy and budget subcommittees of the
15 Legislature.

16 71407. On or before January 1, 2011, and biennially thereafter,
17 the Climate Action Team shall coordinate with the Natural
18 Resources Agency to prepare and adopt a climate change impact
19 mitigation and adaptation plan that includes all of the following:

20 (a) An assessment of the current state of climate change impact
21 analysis and an identification of potential climate change impacts
22 that should be included in decisionmaking related to the
23 management of natural resources or investment in infrastructure
24 including impacts on all of the following:

25 (1) Water resources, including wetlands.

26 (2) Wildlife and plants.

27 (3) Natural communities and ecosystems

28 (4) Public health.

29 (5) Safety and emergency response.

30 (6) Ocean and coastal resources.

31 (7) Infrastructure.

32 (8) Agriculture.

33 (9) Other systems likely to be affected.

34 (b) A process for integrating climate change impact information
35 into the planning and decision-making of state agencies as
36 appropriate.

37 (c) The identification of additional research and research
38 priorities that could assist and improve state decisionmaking in
39 future years.

- 1 (d) An evaluation of each sector's contribution toward meeting
- 2 the greenhouse gas emission reduction targets established by the
- 3 California Global Warming Solutions Act of 2006, Division 25.5
- 4 (commencing with Section 38500) of the Health and Safety Code.
- 5 (e) A review of the best available scientific information
- 6 regarding projected climate change impacts, risk analysis, and best
- 7 management practices developed to date.

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